

EXHIBIT 10

UNREDACTED PUBLIC VERSION

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

IOENGINE, LLC,)
)
Plaintiff,)
Counterclaim Defendant.)

) C.A. No. 18-452(WCB)

v.)

PAYPAL HOLDINGS, INC.,)
)
Defendant.)

- - - - -
INGENICO INC.,)

Plaintiff,)

) C.A. No. 18-826(WCB)

v.)

IOENGINE, LLC,)

Defendant.)

- - - - -
IOENGINE, LLC,)

Counterclaim)
Plaintiff)

v.)

INGENICO INC., INGENICO CORP.)
and INGENICO GROUP SA,)

Counterclaim)
Defendant.)

Friday, November 20, 2020
9:58 a.m.
Teleconference

BEFORE: THE HONORABLE WILLIAM CURTIS BRYSON, U.S.D.C.J.

1 APPEARANCES:

2 SMITH KATZENSTEIN & JENKINS, LLP
3 BY: NEAL C. BELGAM, ESQUIRE
4 BY: EVE H. ORMEROD, ESQUIRE

5 -and-

6 DECHERT LLP
7 BY: NOAH M. LEIBOWITZ, ESQUIRE
8 BY: GREGORY T. CHUEBON, ESQUIRE

9 For the Plaintiff and Counterclaim Defendant
10 IOENGINE LLC

11 MORRIS NICHOLS ARSHT & TUNNELL LLP
12 BY: JACK B. BLUMENFELD, ESQUIRE

13 -and-

14 ORRICK HERRINGTON & SUTCLIFFE LLP
15 BY: JARED BOBROW, ESQUIRE
16 BY: TRAVIS JENSEN, ESQUIRE

17 For the Defendant
18 PayPal Holdings, Inc.

19 RICHARDS LAYTON & FINGER, P.A.
20 BY: CHRISTINE D. HAYNES, ESQUIRE

21 -and-

22 SUNSTEIN KANN MURPHY & TIMBERS LLP
23 BY: KERRY L. TIMBERS, ESQUIRE

24 For the Plaintiff and Counterclaim Defendants
25 Ingenico Inc., Ingenico Corp. and Ingenico
Group SA

*** PROCEEDINGS ***

THE COURT: Good morning. This is Judge Bryson.

We have, I guess, a number of participants already on the
call. We're a little early.

1 those again in the PTAB.

2 THE COURT: Well --

3 MR. BOBROW: That makes no sense, and we submit
4 that that's prejudicial.

5 THE COURT: Do you happen to have their motion
6 to lift the stay in front of you because I don't, and I was
7 curious whether there is such a representation in that
8 motion.

9 MR. BOBROW: I would need to call that up from
10 our records, Your Honor. I don't have that, but --

11 THE COURT: I don't, either. I had thought
12 that that -- well, I just -- I can't remember well enough to
13 even hazard a guess as to what that was.

14 Mr. Leibowitz, what was the representation? I
15 know there was a representation of some sort that you
16 weren't going to proceed with some category of the claims,
17 but I can't remember what the category was. Do you recall?

18 MR. LEIBOWITZ: Yes, Your Honor. And I don't
19 have the language in front of me, although I'm trying to
20 pull it up, but I recall the representation because we --
21 what we said to Your Honor was that we would not proceed in
22 this case on any claims that the patent -- the PTAB had
23 found unpatentable. And so we -- you know, we did not, I
24 don't believe, you know, bar ourselves from, you know, ever
25 in the future proceeding should the Federal Circuit reverse

1 the PTAB.

2 But in this case, we said we would not proceed
3 on any claims that the Patent Office found unpatentable to,
4 of course, you know, not have an issue where if the Federal
5 Circuit, you know, were to reverse in the midst of this
6 case, we would then be seeking to add those claims to this
7 case. We're not. This case would proceed on the claims
8 that were found not unpatentable. You know, we believe --
9 and it should be these eight that we've put forward.

10 And then, you know, in terms of res judicata
11 effect, I think, Your Honor, you know, that would be an
12 argument that I would expect PayPal and Ingenico to make
13 were we to assert any other claim, but we would argue that
14 depending on -- and you know, it is even a different patent.
15 The '047 patent is a different patent than the two that
16 would be in this case now, of course related, but it is a
17 different patent.

18 MR. BOBROW: Well, Your Honor -- I apologize.

19 THE COURT: Go ahead.

20 MR. BOBROW: This is Jared Bobrow.

21 THE COURT: Go ahead.

22 MR. BOBROW: The '047, of course, was part of
23 the case. All of the relevant -- of the 20 claims were not
24 found. And I just realized in reading the letter that was
25 submitted to Your Honor that this language was being parsed

1 available to us today, you know, setting aside the potential
2 reversal in the '047, that we would be -- you know, take it
3 as estoppel effect with respect to the eight claims in this
4 case. So you know, if we can proceed on the eight claims
5 that are available, you know, as part of the claims that are
6 available to us today to assert, we would then accept that
7 effect with respect to any other claim that we could have
8 asserted today.

9 THE COURT: So let me make sure I understand
10 exactly what you said because I'm a little confused when you
11 threw the term estoppel in there. You are saying that the
12 eight claims, if I allow you to proceed on the eight claims,
13 that you will not -- that any decision with respect to those
14 claims in this litigation will have res judicata effect to
15 all other claims that are available to you at this time?

16 Is that right?

17 MR. LEIBOWITZ: Yes, Your Honor.

18 THE COURT: Okay. Well, in that case, I don't
19 think I need the briefing on the res judicata issue. I'm
20 going to go ahead and allow you to proceed with the eight
21 claims. That was my biggest concern, and I think you have
22 allayed that concern. And I don't want to ruin anybody's
23 weekend or whatever preparations they're having for
24 Thanksgiving. So rather than having the two of you briefing
25 this perhaps somewhat arcane issue of the law of judgments,

1 it's --

2 THE COURT: Well, I thought it was pretty clear
3 here and it's, I think -- can you suggest a way that you
4 would articulate my question and Mr. Leibowitz's answer that
5 would resolve any ambiguity left on the table? Because I
6 don't hear any. I thought Mr. Leibowitz's answer was pretty
7 clear, and I thought my question was, but --

8 MR. TIMBERS: So we do have the transcript, Your
9 Honor, so my understanding of it is, the clarity of it is
10 that he's going with these eight claims, and that's it, and
11 we're not going to see any other claim. Whatever the
12 decision on these claims has res judicata effect as to all
13 of the claims in these three patents. We won't see them
14 again.

15 THE COURT: So -- well, no, I think there's a
16 qualification there, and I put the qualification in the
17 question. And that is, with respect to claims that are
18 available to them now, not with respect to claims that have,
19 for the time being at least, been cancelled and may be
20 resuscitated by an appeal to the Federal Circuit.

21 So with respect to those, the res judicata
22 issue, it seems to me is not so clear, and I would not be
23 prepared to base my decision on the eight versus three issue
24 on Mr. Leibowitz giving up those claims.

25 Mr. Leibowitz, is that consistent with your

1 position?

2 MR. LEIBOWITZ: Yes, Your Honor.

3 THE COURT: All right. So that's as far as I
4 think he would go and as far as I feel comfortable asking
5 for him to make a representation.

6 All right. Well, I had one further question
7 which I began with of whether the five claims were
8 instituted or not instituted. Do you have an answer for me
9 on that?

10 MR. LEIBOWITZ: Your Honor, yes. We did look
11 into it, and although the PTAB mentions with respect to
12 those claims, for example, claim 10 of the '969 that
13 petitioners had not satisfied their burden of institution,
14 they did actually institute on those claims as under SAS.

15 THE COURT: Yeah, that's --

16 MR. LEIBOWITZ: And SAS's final written decision
17 reflects that.

18 THE COURT: Okay. I don't remember the timing.
19 Maybe SAS -- I can't even at this point remember when SAS
20 was decided, but it may be that SAS was decided at the time
21 after the initial institution decision, but before the
22 ultimate decision, and they may have decided to deal with
23 that issue by going ahead and tossing those claims in and
24 putting it in the final decision. But in any event, okay,
25 that's the answer and I'm satisfied.